

THE LAW OFFICES OF

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September 24, 2013

By EMAIL**(ForrestNYSDChambers@nysd.uscourts.gov)**

The Honorable Katherine B. Forrest
 United States District Court
 Southern District of New York
 500 Pearl Street
 New York, N.Y. 10007-1312

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**Re: *In re 650 Fifth Avenue and Related Properties, 08 Civ. 10934 (KBF)*
Hegna v. Islamic Republic of Iran, et al., 11 Civ. 03761 (KBF) (formerly
18 MS 0302 (Judgment No. 02-2472 (RJH) (Mar. 27, 2009))**

Dear Judge Forrest:

As counsel for the Hegna judgment lienholders (“the Hegnas”) in the civil forfeiture case, we write regarding recent events in the referenced litigations and propose a course of action for the prompt resolution of the forfeiture matter.

The Court’s September 16, 2013 Opinion and Order (“the Order”) granted summary judgment to the government, forfeiting the interests of Assa, Alavi and 650 Fifth Ave. Co. (“the Iranian claimants”) in the 650 Fifth Avenue building (“the Building”), and dismissing the claims of the Iranian claimants to the Building. The Order left unresolved “the validity of the innocent owner claims filed by several groups of private judgment creditors whose claims are not at issue on the Government’s motion” which were severed for further proceedings. Order at 8. The Order noted that many of these same judgment creditors had pending FSIA/TRIA claims scheduled for immediate trial, and seemed to suggest that the forfeiture and FSIA/TRIA claims might be tried together.

Developments in the past day or two strongly suggest that the resolution of the FSIA/TRIA claims will require a trial on the issue of whether Alavi – the owner of 60% of the Building – is an alter ego of Iran, and that the parties will not be ready to begin

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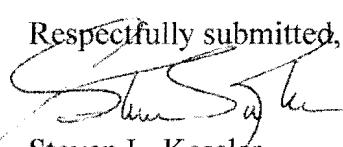
such a trial anytime soon, let alone on the Court's contemplated start date of September 30, 2013.

This development highlights the fact that it is impracticable, as well as inefficient, to attempt to try the FSIA/TRIA and forfeiture claims together. In fact, while the FSIA/TRIA case seems to be growing in complexity by the day, as a result of the Order, the remaining issues in the forfeiture case are few and straightforward. They can and should be resolved promptly.

The Hegnas are the only remaining claimants in the forfeiture case, as they are the only parties other than the Iranian claimants who filed Answers to the forfeiture complaint. The Hegnas are "innocent owners" under 18 U.S.C. § 983(d), both because they acquired their lien on Assa's interest in the Building before the conduct giving rise to the forfeiture took place, and because they are *bona fide* purchasers for value of their interest as a result of their relinquishment of rights in connection with an election of remedies in 2003. Thus, even if other judgment creditors had pursued their forfeiture claims, the Hegnas' position would be unique in the forfeiture case. All of the facts supporting the Hegnas' innocent ownership claims are matters of public record and/or undisputed fact.

In light of the foregoing, the Hegnas respectfully seek leave to move for summary judgment on their claims to Assa's interest in the Building. The government is the only proper respondent to such a motion. Thus, submissions should be relatively succinct and quick. Accordingly, we respectfully request that the Court grant the Hegnas leave to file such a motion on October 4, 2013.

Respectfully submitted,


Steven L. Kessler

SLK:rmaf

cc: Counsel (by email)

Ordered

Any party who wants to move for summary judgment on the innocent owner defense as to Assa or Alavi may (should do so) not later than

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10/7/13. Any opposition shall be filed not later than 10/16/13. No replies should be necessary.
Katherine B. Forrest
B. Forrest
9/25/13